GUYANA

INVESTMENT CLIMATE STATEMENT

2015

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Executive Summary

Guyana is a country located in South America's North Atlantic coast. During 2014, Guyana's investment climate showed no signs of recovery from the downward turn of 2013. Political gridlock and infighting hampered the country's development efforts on several fronts. The Amaila Falls Hydropower Project, which would have been the largest capital project in the country's history, fell apart after a decade of planning when U.S. developer and equity partner Sithe Global withdrew from the multinational development team in August 2013. The company had concerns related to political risk following objections to the venture by the country's largest opposition party.

Guyana has failed to crack down on money laundering, and parliament has been unable to pass legislation strengthening Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) laws. Consequently in November 2014, the Caribbean Financial Action Task Force (CFATF) recommended that its members implement counter measures to protect their financial systems from the ongoing money laundering and terrorist financing risks emanating from Guyana. CFATF also referred Guyana to its parent body, the international Financial Action Task Force (FATF), for review. Although FATF has not concluded its review of Guyana, consumers and importers are already complaining of increased costs and delays in processing international financial and trade transactions. The government continues to encourage foreign investment but with limited success outside of the gold mining sector. Perceptions of corruption, inefficient government, inadequate infrastructure, and crime remain barriers to attracting foreign investment.

Early general elections were held on May 11, 2015. The APNU-Alliance for Change party won 33 out of 65 seats in the National Assembly and David Granger was sworn in as President on May 16th, 2015.The impending elections slowed down current and prospective investment since implementation of many governmental projects were either put on hold or curtailed, until after the elections. Presentation of the National Budget, which has a constitutional deadline of April 30th, was also affected.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

Foreign direct investment (FDI) into Guyana is actively encouraged and seen by the Government as critical to its economic development. Numerous incentives are offered to investors in this regard. While its track record in attracting government-to-government development assistance is strong, its long-term record in attracting private-sector investment remains poor. Consequently, investment productivity as measured by the Incremental Capital/Output Ratio (ICOR) is low. In 2007 Guyana's ICOR was around 27, which means that it took USD 27 of investment to generate USD 1 of extra output. Countries using capital effectively generally have an ICOR of 4 or below.

The Government of Guyana supports a traditional investment agency, the Guyana Office for Investment (GO-INVEST). GO-INVEST focuses primarily on agriculture and agro-processing, tourism, manufacturing, information and communication technology, seafood and aquaculture, and wood processing. Potential investors should note that GO-INVEST is the first point of contact to obtain necessary permits and tax concessions. GO-INVEST often determines that many prospective investors' proposals lack sufficient capital; these inquiries generally do not progress further. Due to the state's major role in the domestic economy and the Government of Guyana's tendency to centralize decision-making, relatively large foreign investments receive intense political attention, often from the highest political level. Over the past decade, the government enacted new laws or amended existing ones to encourage foreign direct investment, with mixed levels of success.

In 2009, the GOG launched its Low Carbon Development Strategy (LCDS) as a plan to transform the economy, conserve its forests, and adapt to global climate change while reducing carbon emissions. Initially relying on donor assistance, with plans to eventually draw on private investment in a global market for carbon credits, the GOG intends to channel forest conservation payments into human capital development, climate change adaptation, and strategic investments in low-carbon economic sectors like business process outsourcing, hydropower, sustainable forestry and wood products processing, ecotourism, biofuels, aquaculture, and other high-value, export-oriented agriculture. Guyana established an Office for Climate Change, REDD+ Secretariat, as well as a Project Management Unit within the Office of the President to attract and vet potential foreign investors in sectors complimentary to the LCDS.

Following the launch of the LCDS, the Government of Norway entered into an agreement to protect Guyana's tropical forest for its carbon storage and other ecological services. Depending on Guyana's performance, Norway had planned on contributing a total of up to USD 250 million by 2015 if Guyana demonstrates continued low rates of deforestation and forest degradation. However as of April 2015, they have only contributed USD 115 million. The Government of Guyana believes this financial commitment and inclusion of incentives for forest conservation in the 2009 Copenhagen Accord will lead to higher levels of LCDS investment in coming years. Thus far, however, no other international donors have stepped forward in any substantial way to pay for Guyana's ecosystem services, and the Norway payments are likely to be reduced due to Guyana's increased deforestation rate.

Other Investment Policy Reviews

Guyana has been a World Trade Organization (WTO) member since 1995. Guyana is currently scheduled for a WTO Trade Policy Review in September of 2015.

Laws/Regulations of Foreign Direct Investment

Sufficient legislation exists in Guyana to enable foreign investment in the country, but implementation of relevant legislation continues to be inadequate. The objectives of the Investment Act of 2004 are to stimulate socioeconomic development by attracting and facilitating foreign investment. Other relevant laws include the Income Tax Act, the Customs Act, the Procurement Act of 2003, the Companies Act of 1991, the Securities Act of 1998, and the Small Business Act. Regulatory actions are still required for much of this legislation to be effectively implemented.

The judicial system is generally perceived to be slow and ineffective in enforcing legal contracts. The 2015 World Bank's Doing Business Report states that it takes 581 days to enforce a contract in Guyana. Suspected corrupt practices and long delays make the courts an unattractive option for settling investment or contractual disputes, particularly for foreign investors unfamiliar with Guyana. In order to redress this obstacle to investment, the Government of Guyana, with support from the Inter-American Development Bank (IADB), established a Commercial Court in June 2006. Given Guyana's growth potential, there is need for expansion and strengthened capacity in the near future.

Industrial Promotion

Guyana offers potential investors—foreign and domestic alike—a broad spectrum of investment choices, ranging from more traditional industries (such as mining, sugar, rice, and timber), to non-traditional export sectors (such as aquaculture, agro processing, fresh fruits, and vegetables, light manufacturing, value-added forest products), to services exports (such as tourism and Information Technology-enabled services). Many products receive duty-free or reduced-duty treatment in destination markets.

Additionally, Guyana enjoys considerable established commercially-viable mineral reserves principally in gold, diamonds, and bauxite. Smaller deposits of manganese, copper, rare earth elements, and uranium also exist. Their commercial viability, however, has not been definitively determined.

Opportunities can be found on the following websites:
Guyana Office for Investment: http://goinvest.gov.gy/investment/investment-guide/
The National Procurement & Tender Administration (NPTA): http://www.npta.gov.gy/
National Industrial & Commercial Investment Limited: http://www.privatisation.gov.gy/

Limits on Foreign Control

In the mining sector there are restrictions with respect to the ownership of property for small and medium-scale mining to citizens of Guyana. Foreigners may enter into joint-venture arrangements under which the two parties agree to jointly develop a mining property. There are no restrictions on the percentage of the investment shouldered by the foreign investor, and these arrangements are strictly governed through private contracts. Since this type of relationship carries a high risk factor, the U.S. Embassy strongly encourages investors to exercise proper due diligence when exploring their options.

Privatization Program

Foreign investors generally have equal access to privatization opportunities, even though the privatization process may not be transparent. For some larger operations, foreign investment is openly preferred. Since 1992, the GOG has privatized 16 out of 21 state-owned enterprises (SOEs). Only Guyana Oil Company Limited, Guyana National Printers Limited, Guyana Sugar Corporation, the National Communication Network (NCN), and Guyana Power & Light (GPL) remain as SOEs. The head of the Privatization Unit/National Industrial and Commercial Investments Limited also serves as Chairman of Guyana Power and Light.

Most large-scale investments in Guyana's infrastructure are government projects financed by international lending institutions, with the Inter-American Development Bank (IDB) their largest lender. U.S. firms are generally given equal access to these projects.

Screening of FDI

There is no mandatory screening of foreign investment. The government, however, conducts de facto screenings of most investments to determine which businesses are eligible for special tax treatment and access to licenses, land, and approval for investment incentives. In spite of recent efforts to remove discretionary power from the various ministries, ministers still retain significant authority to determine how relevant laws, such as the Investment Act, Small Business Act, and Procurement Act, are applied.

In general, international investors receive the same treatment as local investors in Guyana. One exception is the special approval required for local financing. Foreign borrowers applying for a loan of more than GYD 2 million (USD 10,000) must request permission from the Minister of Finance. This requirement reflects Guyana's preference for foreign investors to bring capital into the country.

Another exception exists in the mining sector, where ownership of property for small- and medium-scale mining is restricted to citizens of Guyana. Foreigners may enter into joint-venture arrangements under which the two parties agree to jointly develop a mining property. There are no restrictions on the percentage of the investment shouldered by the foreign investor; these arrangements are strictly by private contract. However, such relationships are highly risky, and appropriate due diligence of potential joint venture partners is required.

Competition Law

As Guyana strives to improve competition and fair-trading both nationally and internationally, the Government of Guyana enacted the Competition and Fair Trading Act in 2006 to govern matters of this nature. This act seeks to promote, maintain, and encourage competition; to prohibit the prevention, restriction, or distortion of competition and the abuse of dominant positions in trade; and to promote the welfare and interests of consumers and to establish a Competition Commission for connected matters.

In support of the functioning of this Act, a Competition Commission was instituted. The Commission is responsible for reviewing all commercial activities identifying those that adversely affect the economic interest of consumers; investigating such businesses which do not comply with the Act; and conducting inquires in connection with any matter falling within the provisions of the Act.

Investment Trends

The Government of Guyana publicly encourages foreign direct investment (FDI). While its track record in attracting government-to-government development assistance is strong, its long-term record in attracting private-sector investment remains poor. Total FDI in Guyana decreased by 27.1 percent, from USD 293.8 million in 2012 to USD 214.0 million in 2013. However, in

March 2015, ExxonMobil began exploratory drilling in the Starbroek block, initially investing roughly USD 300 million into the project. According to a study performed by the U.S. Geological Survey, as much as the equivalent of 15 billion barrels of oil are located in the Guyana-Suriname Basin. If successful, the venture would mean billions in revenue for the country and could potentially transform the social, political, and economic landscape.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	124	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	123	doingbusiness.org/rankings
Global Innovation Index	2014	80	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 3,750	data.worldbank.org/indicator/NY.GNP.PCAP.CD

Millennium Challenge Corporation Country Scorecard

The Millennium Challenge Corporation (MCC), a U.S. Government foreign aid agency focused on promoting growth in the recipient countries by emphasizing good economic policies such as free markets and low corruption. Developing nations must demonstrate positive performance in three key indicators; ruling justly, investing in people, and fostering economic freedom. A list of countries/economies with MCC scorecards and links to those scorecards is available here: http://www.mcc.gov/pages/selection/scorecards. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: http://www.mcc.gov/pages/docs/doc/report-guide-to-the-indicators-and-the-selection-process-fy-2015.

2. Conversion and Transfer Policies

Foreign Exchange

The Guyana dollar (GYD) is fully convertible and transferable. According to the 2013 Bank of Guyana Annual Report, the average exchange rate is USD 1 to GYD 206.33 at the end of March 2014, the last reported rate (http://www.bankofguyana.org.gy/bog/images/statistical_tables/exc_rates.pdf). However, the exchange rate has been relatively stable, fluctuating between GYD 203 and GYD 209 for more than five years. No limits exist on inflows or repatriation of funds, although there are spot shortages of foreign currency. Regulations also require that all persons entering and exiting Guyana declare all currency in excess of USD 10,000 to Customs authorities at the port of entry.

In practice, many large foreign investors in Guyana use subsidiaries outside Guyana to handle earnings generated by the export of primary products, including timber, gold, and bauxite. Those companies then advance funds to their local entities to cover operating costs.

Guyana has a floating exchange rate that is determined by supply and demand, which is predominantly driven by activities of Guyana's three largest commercial banks. The government has intervened in support of the GYD with some success. The government will likely continue to intervene in defense of the GYD and its international reserves.

The GYD is generally stable, depreciating marginally by 0.37 percent against the USD in 2012. The relative stability of the currency is underpinned by a sufficient flow of foreign exchange to the market. The exchange rate is expected to remain relatively stable since there is more than an adequate supply of foreign exchange in the system to meet balance of payments needs.

Remittance Policies

There is no limit to the acquisition of foreign currency, although the government limits the amount that a number of state-owned firms may keep for their own purchases. Regulations on foreign currency denominated bank accounts in Guyana allow funds to be wired in and out of the country electronically without having to go through cumbersome exchange procedures. Foreign companies operating in Guyana have experienced no government-induced difficulties in repatriating earnings in recent years.

Guyana is neither an important regional nor offshore financial center, nor does it have any free trade zones. Money laundering is perceived as a serious problem and has been linked to drug trafficking (principally cocaine), firearms, corruption, and fraud, as well as to the influx of foreign currency. Guyana has a large informal economy in which cash is preferred by both buyers and sellers for most transactions, making it highly vulnerable to money laundering. On November 20, 2013, the Caribbean Financial Action Task Force (CFATF) issued a statement classifying Guyana among jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not complied with their Action Plan developed with the CFATF to address these deficiencies. The CFATF calls on its members to consider implementing counter measures to protect their financial systems from the ongoing money laundering and terrorist financing risks emanating from each jurisdiction.

3. Expropriation and Compensation

On August 16, 2001, the National Assembly approved the Acquisition of Lands for Public Purposes Bill 2001.This Act cleared the way for the government to acquire private parcels of land at prices below market value. Since its inception, the government has exercised the Act in a limited capacity, mainly for development purposes deemed to be in the national interest (e.g., clearing the way to build the Berbice River Bridge) and in breach of contract cases.

Evidence of discrimination against U.S. investments, companies, or representatives in the application of expropriation laws has not been identified. Nevertheless, expropriation can occur without proper fair market valuation.

The forestry sector operates at greater risk for expropriation or similar actions. Some forestry companies and individuals have been subject to action under the aforementioned 2001 act, due to alleged breach of contracts with the government, non-use of their concessions, and/or owing debts to the government.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Guyana's legal system, like most Commonwealth countries, follows the English Common Law system. Vestiges of the Roman-Dutch legal system remain, especially in the areas of land tenure. In early 2005, Legislative amendments were made to allow Guyana's accession to the Caribbean Court of Justice as its final Court of Appeal.

Guyana’s Supreme Court of Judicature hears both criminal and civil matters. Therefore, the Supreme Court in its civil jurisdiction has the standing to hear intellectual property claims. Though the Constitution of Guyana provides for the independence of the judiciary, in practice the Executive has some influence over the judicial branch of the government. The hearing of civil matters is a slothful process and is perceived to be unfair. Judgments of Courts within the Commonwealth are considered judicial precedents where Guyanese laws are silent.

Suspected corrupt practices and long delays make the courts an unattractive option for settling investment or contractual disputes, particularly for foreign investors unfamiliar with Guyana. In order to redress this obstacle to investment, the Government of Guyana, with support from the Inter-American Development Bank (IADB), established a Commercial Court in June 2006. Given Guyana’s growth potential, there is need for expansion and strengthened capacity in the near future.

Bankruptcy

The 1998 Guyana Insolvency Act provides for the facilitation of insolvency proceedings. According to data collected by Doing Business, resolving insolvency takes 3.0 years on average and costs 29 percent of the debtor’s estate, with the most likely outcome being that the company will be sold piecemeal. The average recovery rate is 18 cents on the dollar. Globally, Guyana received a ranking of 141 out of 189 economies for Ease of Resolving Insolvency.

The 2004 Financial Institutions Act gives the Central Bank power to take temporary control of financial institutions in trouble. This Act provides legal authority for the Central Bank to take a more proactive role in helping insolvent local banks.

Investment Disputes

There are two ongoing investment disputes involving U.S. interests in Guyana.

A U.S. firm, which owns 80 percent of Guyana Telephone and Telegraph (GT&T), has expressed concern over the GOG’s intentions to terminate GT&T’s contractually guaranteed monopoly on land-line and international telecommunications prior to its expiration. The GOG’s actions are linked to its desire to introduce legislation that would fully liberalize the telecommunications sector. The U.S firm and the GOG are having ongoing discussions to try and find a mutually acceptable agreement on the issue.

Another U.S company has filed a lawsuit against Guyana Telephone and Telegraph (GT&T), alleging that they engaged in unfair trade practices in order to have Caribbean Telecommunications Ltd.'s license to provide cellular services in Guyana cancelled.

International Arbitration

Guyana does not have a Bilateral Investment Treaty with the United States. Negotiations began in 1993 but broke down in 1995. Since then, the two nations have not conducted any subsequent negotiations.

Double taxation treaties are in force with Canada (1987), the United Kingdom and Northern Ireland (1992), and CARICOM (1995). Other double taxation agreements remain under negotiation with India, Kuwait, and the Seychelles. The CARICOM-Dominican Republic Free Trade Agreement provides for the negotiation of a double taxation agreement, but no significant developments occurred since March 2009.

International arbitration decisions are enforceable under the Arbitration Act of 1931.

ICSID Convention and New York Convention

Guyana is a member state to the International Centre for Settlement of Investment Disputes (ICSID).

Guyana has ratified the convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York Convention), which went into force in December of 2014.

Duration of Dispute Resolution

According to the World Bank's Doing Business report, resolving disputes takes 581 days, costs 25.2 percent of the value of the claim, and requires 36 procedures. Suspected corrupt practices and long delays make the courts an unattractive option for settling investment or contractual disputes, particularly for foreign investors unfamiliar with Guyana.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

Guyana has been a World Trade Organization (WTO) member since 1995.

Investment Incentives

The Status of Aliens Act allows a non-resident of Guyana to acquire and dispose of assets and moveable and immoveable property in the same manner as a citizen of Guyana. The GOG treats domestic and foreign investors alike with regard to investment incentives. Guyana offers incentives based on specific criteria such as location of an investment or investment in specific government-targeted sectors.

The 2003 Fiscal Enactments Act allows the Minister of Finance to grant exemptions from Corporate Tax for a period of five years to an investor if the activity demonstrably creates new employment in certain regions of the country (primarily hinterland regions one, eight, nine, and 10). In the case of new economic activity, the Minister may grant a tax holiday of up to 10 years if the activity falls under the following categories: non-traditional agro processing (excluding sugar refining, rice milling, and chicken farming); tourist hotels or eco-tourist hotels; information and communications technology (excluding retailing and distributing); petroleum exploration, extraction, or refining; and mineral exploration, extraction, or refining. The Minister maintains final discretion over which investors receive corporate tax exemptions.

The Income Tax Act of 1998 provides for accelerated depreciation of plant and equipment pending approval of the Minister of Finance on a case specific basis. The GOG previously utilized the Act to provide export tax allowances for manufacturing or processing of non-traditional products exported to countries outside of the Caribbean Community and tax allowances for research and development.

The Minister of Finance maintains authority to approve exemptions and waivers from customs duty, excise tax, and value added tax on plant, equipment, machinery, and spare parts. Though not required, the government expects investors to submit business proposals to GO-INVEST that outline the proposed project, the value of the investment, and employment to be generated from the investment. GO-INVEST reviews proposals and makes recommendations to the Guyana Revenue Authority (GRA) in accordance with the Customs Duties Order of 2003. The GRA determines whether imports comply with regulation and whether those materials are eligible for tax relief. GRA makes the final recommendation to the Minister of Finance whether to grant exemptions and waivers from customs duty, excise tax, and value added tax.

Similarly, the policy provides for a tax allowance for non-traditional exports to non-CARICOM countries. Traditional products include rice, sugar, bauxite, gold, diamonds, timber, petroleum, lumber, shrimp, molasses, and rum. The allowance ranges between 25 percent and 75 percent, and at least 10 percent of sales must be exported to qualify.

In certain circumstances, Guyana also offers duty-free imports and tax holidays to investors on request. A key factor in the determination of duty-free status and value added tax waiver is value addition. The authorities note that blanket approvals are not given; instead each import consignment is reviewed individually. When granted, GRA lowers or waives the duty and value added tax completely, based on the industry and item. The authorities note that tax holidays are less likely to be granted than duty-free status or a value added tax waiver.

A number of companies, both foreign and domestic, have benefited from investment incentives such as corporate tax exemption, income tax (In Aid of Industry) exemption, export tax exemption on non-traditional exports, and exemption from customs duty, excise tax, and value added tax.

Research and Development

The GOG has not financed research and development programs, but foreign firms are encouraged to initiate research and development initiatives. The GOG does not force foreign investors to use domestic content in goods or technology. Both local and foreign investors, however, have found it useful to purchase from local sources as well as import goods unavailable on the local market.

Performance Requirements

Although no explicit government policy regarding performance requirements exists, some are written into contracts with foreign investors and could include the requirement of a performance bond. Some contracts require a certain minimum level of investment. Investors are not required to source locally, nor must they export a certain percentage of output. Foreign exchange is not rationed in proportion to exports, nor are there any requirements for national ownership or technology transfer.

Data Storage

Foreign investors are not required to establish or maintain a certain amount of data storage within the country.

6. Right to Private Ownership and Establishment

Guyana's constitution specifically protects the right of foreigners to own property or land in Guyana. Private entities may freely acquire and dispose of interests in business enterprises, although some newly privatized entities have limits on the number of shares that may be acquired by any one individual or entity (domestic or foreign). Similarly, the articles of association of some firms prohibit the issuance of more than a certain number of share transfers to any one individual or company in an effort to prevent attempts to gain control of such companies in the secondary market.

Foreign and domestic firms possess the right to establish and own business enterprises and engage in all forms of remunerative activity. Enterprises in mining, telecommunications, forestry, banking, and tourism sectors require licenses. Obtaining necessary licenses can be a time-consuming task. According to GO-INVEST's Investor's Roadmap, the estimated processing time to obtain the approvals to lease state or government owned lands may take one year; some investors report much longer processing times.

7. Protection of Property Rights

Real Property

The country has a dual registry system of property rights with distinct requirements, processes, and enforcement mechanisms. The two types of registry systems are deeds (Deeds Registry) and title (Land Registry) registries that operate in separate jurisdictions, which in theory help to avoid the problem of double entry and dual registration. But overall Guyana's property rights system is overly bureaucratic and complex, with regulations that are overlapping and competing, overloaded, and nontransparent. This affects the proper allocation, enforcement, and effectiveness of property rights, as well as, the efficiency of all property-based markets such as housing, land, commercial property, and financial markets (especially primary ones such as mortgage markets). The judicial system is generally perceived to be slow and ineffective in enforcing legal contracts. The World Bank's Doing Business Report 2015 says that it takes 581days to enforce such contracts.

The banking system uses the term mortgages, yet these instruments are not backed up by real estate assets, as it is typically done. Instead, the term mortgage is used to define a specific type of consumer loan dedicated to the building of a home.

There are three types of land ownership in Guyana today: a) Public land – 85 percent: made of what used to be known as state and government lands; b) Amerindian land – 14 percent: lands owned by the Amerindians, which are titled, and the alienation was done in the 1970s; and c) Private land – 1–2 percent: land that can be transferred by either freehold or absolute grant. A freehold transfer could use either transport system or a land registration system that is based on the Torrens type registry. An absolute grant is issued to properties that come from agricultural lands. The first step of alienation is for the land to become state lands and to be subsequently titled to an individual. A grant is issued through a presidential decree.

Intellectual Property Rights

Upon independence in 1966, Guyana adopted British law on intellectual property rights (IPR). Guyana's Copyright Act is dated 1956, and its Trademark Act and Patents and Design Act are dated 1973. Numerous attempts to pass comprehensive legislative updates to this legislation have been unsuccessful. Piecemeal modernization amendments contained in the Geographic Indication Act of 2005, the Competition and Fair Trading Act 2006, the Business Names Registration Act 2000, and the Deeds Registry Authority Act 1999 have offered additional protection to local products and companies. No such modern legislation exists to protect the foreign-registered rights of investors. Guyana joined the World Intellectual Property Organization (WIPO) and acceded to the Berne and Paris Conventions in late 1994. Guyana has not ratified a bilateral intellectual property rights agreement with the United States.

Registering a patent or trademark can take six months or longer, but no effective enforcement mechanisms exist to protect intellectual property rights. Patent and trademark infringement continues to be common. Local television stations, including the state-owned and operated National Communication Network (NCN), pirate and rebroadcast TV satellite signals with impunity. Most music, videos, and software for sale are pirated. Book piracy is also rampant, especially foreign textbooks; some estimates say illegally photocopied textbooks account for nearly one-third of local sales.

Additionally, it was reported by the head of the leading e-governance authority in Guyana that more than one-third of the computers used in government offices utilize pirated software.

In September 2012, both local and international media reported that the Education Ministry invited seven pre-selected local firms to supply photocopies of primary and secondary level textbooks published by Trinidad and Tobago-based Royards Publishing Company. In response, Royards Publishing submitted a bid to supply the government with the original textbooks. Following threats of legal action by the copyright holder, the Government came to terms to purchase the textbooks legally. However, the government's initial willingness to sanction textbook piracy generated international and local criticism for its apparent indifference to IPR. Guyana does not have a ratified intellectual property rights agreement with the United States.

The Ministry of Foreign Trade and International Cooperation and the Ministry of Legal Affairs drafted Trade Related Intellectual Property Rights (TRIPS) legislation in 2001, but the draft still lies dormant and unused.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

Resources for Rights Holders

Frisco McDonald
Economic/Commercial Officer
Embassy of the United States of America
100 Duke and Young Streets
Kingston
Georgetown, Guyana
Phone: (011) (592) 225-4900-9 Ext. 4220
Fax: (011) (592)-225-8597
Email: McDonaldFJ@state.gov
http://georgetown.usembassy.gov

Wynette Oudkerk
Economic/Commercial Specialist
Embassy of the United States of America
100 Duke and Young Streets
Kingston
Georgetown, Guyana
Phone: (011) (592) 225-4900 Ext:4213
Fax: (011) (592)-225-8497
Email: OudkerkW@state.gov
http://georgetown.usembassy.gov

A list of local attorneys is available on Embassy Georgetown's emergency services page: http://georgetown.usembassy.gov/emergency-services.html.

8. Transparency of the Regulatory System

Guyana does not possess anti-trust legislation. In April 2006, Parliament passed the Competition and Fair Trading Act, which targets offenses such as price fixing, conspiracy, bid-rigging, misleading advertisements, anti-competitiveness, abuse of dominant position, and resale price maintenance. A Competition Commission with authority to review anti-competitive business practices has been established but remains understaffed.

Historical factors, Guyana's small population, and limited economy have led many sectors to be dominated by one or two firms. Bureaucratic procedures appear cumbersome and often require the involvement of multiple ministries. Investors often receive conflicting messages from various officials, causing difficulty in determining where the authority for decision-making lies. In the absence of adequate legislation, much decision-making remains centralized. An extraordinary number of issues continue to be resolved in Cabinet or in the Office of the President, a process that is commonly perceived as non-transparent and often results in delays. Attempts to reform Guyana's many bureaucratic procedures have failed to reduce red tape.

Generally, draft pieces of legislation are available in the Parliament Library for public review.

9. Efficient Capital Markets and Portfolio Investment

In Guyana, interest rates on capital loans typically range from 10 percent to 20 percent. The Minister of Finance must grant permission for a foreign investor to borrow more than USD 10,000 (GYD 2 million) from a local bank. The GOG sells Treasury Bills at auction to finance the public debt. Past attempts at private bond financing have failed, and private companies have not made any large bond offers in recent years.

The banking system in Guyana is liquid. Local bank statements reveal that deposits continue to increase even as loans remain flat; a trend that suggests the existence of a large informal, cash-only economy. Analysts estimate that the informal economic activity accounts for 50 percent or more of Guyana's total economic activity. Eager to lend money, but skeptical of Guyana's legal system, banks claim an inability to find suitable local applicants for loans at prevailing interest rates.

Guyana adopted the Credit Reporting Act No. 9 of 2010, which guarantees consumers' right to access their data. The first credit reporting bureau license was granted to Creditinfo, which went into effect on July 15, 2013 and was open for business to the public starting December 1, 2013. The credit-reporting bureau has been working with banks and utility companies to compile reliable credit information for use by lenders. Lack of access to capital remains a serious barrier to entrepreneurship and business expansion in the country.

The Guyana Association of Securities Companies and Intermediaries Inc. (GASCI) was formed in 2003 and operates the Guyana Stock Exchange. GASCI consists of four member firms, all of which trade on the stock exchange. The Guyana Stock Exchange trades shares in companies that are either listed on the primary list or on the secondary list. Inclusion on the primary list is both time consuming and an expensive process. Thus far, only one company, Trinidad Cement Ltd., has been able to register on the primary list. The secondary list is composed of 16 companies and consists of those companies that are registered with the Guyana Securities Council (GSC) and eligible to trade. In 2014, total market capitalization was USD 749 million. Trade volume on the Guyana Stock Exchange remains very light due both to the limited number of companies and shares on offer.

The Guyana Securities Council (GSC) is the regulatory body for the securities industry. Since its creation in 2001, it has struggled to obtain required disclosure information from listed, local firms.

Money and Banking System, Hostile Takeovers

The Central Bank of Guyana was established by virtue of the 1965 Bank of Guyana Ordinance. Guyana's banking system remains underdeveloped. Inefficiencies and delays periodically plague the foreign currency market. Businesses report that currency shortages can result in significant delays in converting Guyana dollars to U.S. dollars at some banks. Because Guyana has yet to develop an effective interbank trading system, some banks may be short of foreign exchange while others have currency available.

The six commercial banks are by far the most important financial institutions in Guyana with assets worth GYD 421 billion (USD 2 billion) in 2014 – equivalent to 70 percent of the Gross Domestic Product (GDP).

10. Competition from State-Owned Enterprises

Private enterprises compete with state-owned enterprises (SOEs) under the same terms and conditions for market access, credit and other business operations, and licenses. Currently there are seven SOEs in Guyana: Guyana Sugar Corporation (GUYSUCO), Guyana Gold Board, Guyana Oil Company Limited, Guyana Power and Light Inc., National Communications Network, the Guyana National Printers, and Georgetown's new Marriott Hotel. The corporate governance structure of Guyanese SOEs requires that the senior management report to the chief executive officer, who reports to the board of directors, who in turn report to a government minister. Political interventions occur in the management of SOEs, since their boards of directors are filled through political appointments directed by the Office of the President.

The National Industrial and Commercial Investments Limited (NICIL), a private limited company, acts as subscriber and manager of the government's shares, stocks, and debentures of any company, cooperative societies, or other corporate body. It also manages government-owned real estate properties, including their acquisition, disposal, or rental. Managing the government’s shareholdings and minimizing conflict of interests is NICIL’s main function.

During the 1900s, Guyana underwent a significant privatization process, divesting many of its holdings in the banking, telecommunications, agriculture, and manufacturing sectors. Since then the pace of privatization has slowed. Since 2003, the government has privatized only two entities: National Bank for Industry and Commerce, which now does business as Republic Bank; and National Edible Oil Company, acquired by a biofuels company. Furthermore, the state reduced its participation in two of Guyana's leading bauxite mining companies, the Aroaima Mining Company and Linmine Bauxite.

The Public Corporation Act requires public corporations to publish an annual report no later than six months after the end of the calendar year. These financial reports must be audited by an independent auditor.

OECD Guidelines on Corporate Governance of SOEs

Not applicable.

Sovereign Wealth Funds

Guyana does not currently have a Sovereign Wealth Fund.

11. Corporate Social Responsibility

Compared to corporate social responsibility (CSR) norms in North America and Europe, Guyana-based businesses lag in adopting CSR policies and activities. Though many businesses engage in charitable acts, the totality of these deeds does not constitute good CSR practices. Guyanese consumers generally are not aware of CSR principles and do not demand them from local businesses they patronize. The Guyanese government has expressed the hope that large multinational companies will lead the way on CSR practices, setting an example for smaller local firms to follow, particularly in the extractive industries sector.

OECD Guidelines for Multinational Enterprises

Information not available.

12. Political Violence

Political violence has occurred in Guyana. Political protests in Guyana have a history of turning violent. In March 2013, police used force to clear protestors (mostly Brazilian nationals) in the Marudi mining district. Police allegedly used whips and sticks to beat local miners protesting their alleged unlawful removal from the area they claimed for their own use. Several protestors required medical attention at a local hospital. In August 2013 hundreds of persons gathered outside of Parliament to protest a range of political and social issues, ranging from Amerindian land title rights to the removal of the Town Clerk in the Mayor of Georgetown's office. The protest became mildly violent between the protestors and police on guard.

Increased violence between the Indo-Guyanese and Afro-Guyanese communities has historically occurred at the time of national elections. The 2011 national elections, however, were the second successive iteration in which such communal violence was greatly reduced. The 2011 election period saw one incident in which the police used force to quell a peaceful march, but no one was seriously injured.

13. Corruption

Allegations of corruption remain common. According to Transparency International's 2014 Corruption Perceptions Index (CPI), Guyana is ranked 124th out of 175 countries for perceptions of corruption– rising by nine slots from 133 the previous year. Guyana ranks 30th out of 45 in the Western Hemisphere. Guyana has ratified the IACAC, and bribery is established as a criminal offense under Guyanese law. Although the government passed legislation in 1997 that requires public officials to disclose their assets to an Integrity Commission prior to assuming office, the Integrity Commission has never been constituted and remains inoperative. Public Officials' compliance with the legislation has therefore been uneven.

The Procurement Act of 2003 provides for the establishment of an oversight body, a Public Procurement Commission and the National Procurement and Tender Administration Board (NPTAB), which handles day-to-day operations. The Minister of Finance appoints the members of this Board. The Commission's job is to ensure transparency and accountability throughout the government procurement process including in regards to the NPTAB's operations, has never been established.

Widespread concerns about inefficiencies and corruption at the ministerial, regional, or national level exist regarding the awarding of contracts particularly with respect to concerns of collusion and non-transparency. In his annual report, the Auditor General has noted continuous disregard for the procedures, rules, and the laws that govern public procurement systems.

The Criminal Law Act classifies both corruption and bribery as illegal. Offences carry a penalty of GYD 390,000 (USD 2,000) and three to seven years imprisonment.

On April 16, 2008, Guyana ratified the United Nations Convention against Corruption. Guyana is neither a member of the Organization for Economic Cooperation and Development (OECD) nor a signatory to OECD Anti-Bribery Convention. Guyana is a member of the Organization of American States (OAS) and ratified the Inter-American Convention against Corruption on December 11, 2000.

The World Economic Forum, "Global Competitiveness Report 2014-2015," identified corruption as the largest obstacle, followed by tax rates, to doing business in Guyana. Corruption discourages potential foreign direct investments and foreign investors, and it also undermines economic development and growth.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

On April 16, 2008, Guyana ratified the United Nations Convention against Corruption. Guyana is neither a member of the Organization for Economic Cooperation and Development (OECD) nor a signatory to OECD Anti-Bribery Convention. Guyana is a member of the Organization of American States (OAS) and ratified the Inter-American Convention against Corruption on December 11, 2000.

Resources to Report Corruption

Transparency International
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14. Bilateral Investment Agreements

Guyana does not have a bilateral investment treaty with the United States. Guyana has bilateral investment treaties with the United Kingdom, Germany, Cuba, China, Switzerland, South Korea, and Indonesia.

Bilateral Taxation Treaties

Double taxation treaties are in force with Canada (1987), the United Kingdom and Northern Ireland (1992), and CARICOM (1995).

15. OPIC and Other Investment Insurance Programs

The Overseas Private Investment Corporation (OPIC) renewed its support for U.S. investors in Guyana in 2000 following the settlement of a long-standing dispute between an OPIC client and the GOG.

The Export-Import Bank of the United States (EX-IM) offers insurance and financing to support American exports to Guyana. EX-IM will consider the financing projects in which the total term of the financing is either less than one year or between one or seven years.

16. Labor

The World Bank estimates that in 2013 Guyana's labor force comprised 313,815 persons. The unemployment rate for 2013 was estimated at 23.9 percent; however, the government does not track either unemployment or job creation rates (http://data.worldbank.org/indicator/SL.UEM.1524.ZS).

Approximately 22 percent or 69,039 workers are unionized. Guyana currently has 18 trade unions. Thirteen of these unions fall under the umbrella of the Guyana Trade Union Congress. Four of these unions are members of the Federation of Independent Trade Unions of Guyana. The Trade Union Recognition Act of 1997 requires businesses operating in Guyana to recognize and collectively bargain with the trade union selected by a majority of its workers. Guyana adheres to the International Labor Organization (ILO) Convention protecting worker rights.

Guyana provides education and skills development through primary, secondary, and technical schools, as well as at the University of Guyana and privately-owned institutions of higher learning. Individual companies mount various programs to develop human resources specific to their needs.

Emigration, particularly of skilled labor, poses a serious problem to employers in Guyana. Guyana’s net emigration rate in 2014 was estimated at 9.67 percent – the seventh highest in the world. An International Monetary Fund study in 2005 found that 89 percent of university-educated Guyanese eventually leave the country due to better employment options abroad; this represents the highest percentage of "brain drain" of any country. Large private sector companies report a turnover of about 20 percent to 25 percent of their workforce annually and experience difficulty in recruiting and retaining qualified employees. Skilled workers generally migrate to the United States, Canada, the Caribbean, and Europe.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

Guyana currently does not maintain any duty-free zones, although the Government of Guyana announced the possibility of establishing such zones in the Lethem area, on the border with Brazil.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		**USG or international statistical source**		**USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other**
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($B USD)	2013	2.9	2013	2.9	www.worldbank.org/en/country
Foreign Direct Investment	**Host Country Statistical source***		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country ($M USD, stock positions)	2013	214	2013	240	http://bea.gov/international/factsheet/factsheet.cfm?Area=257
Host country's FDI in the United States ($M USD, stock positions)	N/A		N/A		http://bea.gov/international/factsheet/factsheet.cfm?Area=257
Total inbound stock of FDI as % host GDP	N/A		N/A		

*Provide sources of host country statistical data used

Table 3: Sources and Destination of FDI

Foreign direct investment position data are not available for Guyana.

Table 4: Sources of Portfolio Investment

Portfolio investment data are not available for Guyana.

19. Contact for More Information

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